

(14) You must measure natural gas production subject to the royalty-suspension volume as follows: 5.62 thousand cubic feet of natural gas, measured in accordance with 30 CFR part 250, subpart L, equals one barrel of oil equivalent.

[45 FR 9539, Feb. 12, 1980, as amended at 45 FR 36800, May 30, 1980; 46 FR 29689, June 2, 1981; 46 FR 35625, July 9, 1981. Redesignated at 48 FR 1182, Jan. 11, 1983, and amended at 48 FR 24874, June 3, 1983; 56 FR 23648, May 23, 1991; 61 FR 3804, Feb. 2, 1996; 61 FR 12027, Mar. 25, 1996; 63 FR 2629, Jan. 16, 1998]

§260.111 Criteria for selection of bidding systems and bidding system components.

(a) In analyzing the application of one of the bidding systems listed in §260.110(a) to tracts selected for any OCS lease sale, MMS may, in its discretion, consider the following purposes and policies, recognizing that each of the purposes and policies may not be specifically applicable to the selection process for a particular bidding system and tract or may present a conflict that will have to be resolved in the process of bidding system selection, and that the order of listing does not denote a ranking:

- (1) Providing fair return to the Federal Government;
- (2) Increasing competition;
- (3) Assuring competent and safe operations;
- (4) Avoiding undue speculation;
- (5) Avoiding unnecessary delays in exploration, development, and production;
- (6) Discovering and recovering oil and gas;
- (7) Developing new oil and gas resources in an efficient and timely manner;
- (8) Limiting administrative burdens on Government and industry; and
- (9) Providing an opportunity to experiment with various bidding systems to enable the identification of those that are the most appropriate for the satisfaction of the objectives of the United States in OCS lease sales.

(b) In performing the analysis referred to in paragraph (a), MMS may, in its discretion, take into account the following in relation to their impact upon the purposes and policies enumerated in paragraph (a) of this section.

(c) The bidding systems listed in §260.110(a) (2) and (3) shall be applied to not less than 20 per centum and not more than 60 per centum of the total area offered for leasing each year during the five-year period commencing on September 18, 1978, unless DOI determines that the maximum and minimum per centum limitations set forth in this section are inconsistent with the purposes and policies of the OCSLA.

[45 FR 9539, Feb. 12, 1980. Redesignated and amended at 48 FR 1182, Jan. 11, 1983]

Subpart C [Reserved]

Subpart D—Joint Bidding

SOURCE: 45 FR 62031, Sept. 18, 1980, unless otherwise noted. Redesignated at 48 FR 1182, Jan. 11, 1983.

§260.301 Purpose.

The purpose of the regulations in this subpart D is to encourage participation in OCS oil and gas lease sales by limiting the requirement for filing Statements of Production to certain joint bidders.

§260.302 Definitions.

For purposes of this subpart D, all the terms used shall be defined as in 30 CFR 256.38.

§260.303 Joint bidding requirements.

(a) Any person who submits a joint bid for any OCS oil and gas lease during a six-month bidding period and who was chargeable for the prior production period with an average daily production in excess of 1.6 million barrels of crude oil, natural gas equivalents, and liquefied petroleum products, shall have filed a Statement of Production with the Director, MMS, in accordance with the requirements of 30 CFR 256.38. The Statement of Production shall state that the person filing the Statement is chargeable for the prior production period with an average daily production in excess of 1.6 million barrels of crude oil, natural gas equivalents, and liquefied petroleum products.

(b) No person chargeable for the prior production period with an average